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Comptroller

26 November 1958

Chief, Audit Staff

~~CONFIDENTIAL~~

Replies to Audit Reports

1. In the past we have, in a number of instances, encountered considerable difficulty in obtaining replies from your office to audit reports requesting administrative action. Often, we have found it necessary to take repeated follow-up action, either written or oral, to obtain replies. Examples pointing up this situation are cited in the following listing:

<u>Report Title</u>	<u>Date Report Issued</u>	<u>Follow-up Action by Audit Staff</u>	<u>Date of Office of Comptroller's Reply</u>
1. Report of Audit of General Ledger Accounts (Property) as of 30 September 1956	March 1957	30 July 1957 10 Sept. 1957 28 Jan. 1958	3 Jan. 1958 27 Jan. 1958
2. Report of Audit of General Ledger Accounts (Property) as of 31 January 1957	May 1957	Several oral	17 March 1958
3. Report of Audit of Property In Use as of 30 April 1957	28 Aug. 1957	29 Oct. 1958	None received
4. Report of Audit of General Ledger Real Property Accounts as of 30 September 1957	31 Jan. 1958	24 Oct. 1958	None received
5. Covert Personal Tax Data	31 Mar. 1958	Several Oral	None received
6. Payroll (Unvouchered)	23 Apr. 1958	Several Oral	11 June 1958 a/ (Partial)
7. Miscellaneous Accounts Receivable (A/C 152.9)	28 Apr. 1958	Several Oral	None received
8. Report of Audit of General Ledger Accounts (Property) as of 15 April 1958	30 June 1958	23 Oct. 1958	None received

a/ Finance Division notified us that the matters have been referred to the Technical Accounting Staff.

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2. We understand that responsibility for the preparation and control of replies to audit reports is centered in no one official in your office. Apparently, reports are directed to the interested components, and those components are depended upon to reply. In some instances of informal follow-up, we have found it difficult even to determine the component to which the report had been referred for action and reply. Also, in some instances, replies have indicated that certain matters were under consideration, but no further advice as to the action finally taken has been furnished.

3. Written replies to all audit reports in which action is requested are expected within 90 days of the date of issue. If action which would permit the submission of a final reply within this period has not been completed, an interim reply setting forth the status of the action(s) in process and the estimated completion date(s) will obviate follow-up action on the part of this staff. A further reply upon completion of the action(s) will permit the closing of our files.

4. A very effective procedure for controlling and processing replies to audit reports is followed by the Office of Logistics. Control is centralized in one official on the administrative staff. This official is responsible for distributing reports or extracts therefrom to the operating component(s) involved for action and preparation of a reply; for coordinating if more than one area is involved; for taking follow-up action, and for reviewing and making any necessary consolidation of replies. All replies are signed by the Director of Logistics. It is felt that a similar arrangement in your office might well afford a solution to the problem here described.

5. Please consider this matter and inform us of the action taken to correct this situation.

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